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76-6176

10 DEC 1976

MEMORANDUM FOR: Deputy Director for Administration  
FROM :   
Deputy Director of Logistics  
SUBJECT : Proposed OMB Circular on Federal Interaction  
with Commercial Standards-Setting Bodies  
REFERENCE : OMB Memorandum of November 30, 1976 from  
Mr. Hugh Witt to Head of the Agency,  
same subject

STATINTL

1. The referent memorandum has been forwarded to the Office of Logistics for preparation of an appropriate response to the Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget (OMB). Said memorandum transmits a draft of an OMB Circular for Agency comment.

2. The proposed OMB Circular on which comment is requested has as its objective the maximum practicable use of commercial standards by the Federal Government and active participation by the Government in development of such standards. This objective is consistent with our general policy of using commercial products whenever feasible which has been promulgated previously in OMB Circular A-76. The objective is sound and can only result in long term efficiency for both the Government and private sector.

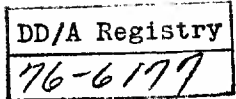
3. There is attached a letter to the Administrator for Federal Procurement Policy which concurs fully with the objective of the proposed OMB Circular. It is our recommendation that this letter be forwarded to OMB as the official CIA position.

STATINTL



Atts

OL 6 6062



15 DEC 1976

The Honorable Hugh E. Witt  
Administrator for Federal  
Procurement Policy  
Office of Management and Budget  
Washington, D. C. 20503

Dear Mr. Witt:

Your memorandum of November 30, 1976 requests comments of this Agency on a draft of a proposed Office of Management and Budget (OMB) Circular which has as its subject: Interaction with Commercial Standards-Setting Bodies. We have reviewed the proposed Circular and agree that reliance on commercial standards, both domestic and international, whenever feasible, is consistent with furtherance of the Federal Government's general policy to rely on the private enterprise system to supply our needs for supplies and services. Adherence to such a policy most certainly will have long-term benefit for both the Federal Government and the private sector.

This Agency supports fully the objectives of the proposed Circular.

Sincerely,

/s/John F. Blake

John F. Blake  
Deputy Director  
for  
Administration

**Distribution:**

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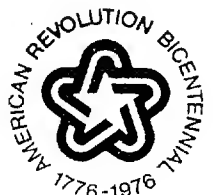
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Originating Office:

Deputy Director of Logistics

12/10/76  
Date

OL 6 6031a



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Remarks:

*Ph develop response.*

STATINTL



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

Executive Registry

76-4147

DD/A Registry

76-6011

OFFICE OF FEDERAL  
PROCUREMENT POLICY

November 30, 1976

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Proposed OMB Circular on Federal Interaction with  
Commercial Standards-Setting Bodies

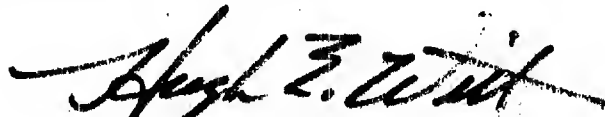
Enclosed is a proposed OMB Circular (Attachment A) establishing a uniform policy for all executive branch agencies in working with commercial (non-Federal) standards-setting bodies. The proposed Circular, requested by the Secretary of Commerce, results from the development and approval by the Interagency Committee on Standards Policy (ICSP) of certain principles for a uniform, Government-wide policy in this area. The ICSP, chaired by the Department of Commerce, has its membership drawn from 22 executive departments and agencies (see Attachment B).

Standard definitions, specifications, test methods, and performance requirements are essential elements of conducting business and discharging procurement and regulatory responsibilities both in the Federal and non-Federal sectors. Over the years, an effective system of voluntary consensus standards activities has developed in the non-Federal sector. In that system, a wide range of interests meld their expertise and compromise their differences with the result that many commercial standards (i.e., standards established by activities which are not conducted by the Federal Government) are solidly based and widely accepted. Although effective Federal Government coordination and cooperation with appropriate domestic and international standards organizations could result in significant public benefits, including stimulation of economic growth, competition, and innovation, coordinated Federal involvement has been lacking.

The proposed Circular incorporates the principles espoused by the ICSP as well as statements of purpose, definitions, and responsibilities enunciated by that body. Responsibilities for implementing this proposed Circular are assigned to the individual departments and agencies, and to the Department of Commerce which, though the ICSP, will act in a coordinating capacity. Placement of the coordinating role with the Department of Commerce reflects that Department's responsibilities for national standards of

measurement and standardized test methods as expressed in Title 15, United States Code.

Comments on the proposed Circular should be forwarded to this Office not later than December 31, 1976.



Hugh E. Witt  
Administrator

Attachments

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**EXECUTIVE OFFICE OF THE PRESIDENT**  
**OFFICE OF MANAGEMENT AND BUDGET**  
WASHINGTON, D.C. 20503

Attachment A

CIRCULAR NO. A-

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Interaction with Commercial Standards-Setting  
Bodies

1. Purpose. This Circular establishes policy to be followed by executive branch agencies in working with commercial standards-setting bodies to develop, improve, and use standards for materials, products, systems, and services.

2. Background. The Federal Government purchases many products and services and regulates many activities which affect health, safety, and the national economy. To insure that such products possess appropriate quality characteristics, the Federal Government must depend upon reliable standards for product specification, quality control analysis, and performance testing. For example, the widely accepted standard for Portland cement (Federal Document SSC-1960-3) is used to guarantee consistent quality in this important construction material. Over the years, an effective system of voluntary consensus standards activities has developed under the leadership of the American Society for Testing and Materials, American Society of Mechanical Engineers, American National Standards Institute, and many others. In this voluntary system, a wide range of interests meld their expertise and compromise their differences, with the result that the standards produced are solidly based and widely accepted. Federal reliance on such standards, whenever practicable, will reduce the cost of developing standards and minimize confusion among those who deal with them.

3. Coverage. This Circular applies to all executive agency involvement in commercial standardization activities, both domestic and international.

(No. A- )

**DRAFT**

4. Objectives. The objectives are to insure maximum practicable use of commercial standards by the Federal Government and active participation of the Federal Government in development of such standards.

5. Definitions. As used in this Circular:

a. Executive agency (hereinafter referred to as agency) means an executive department, a military department, and an independent establishment within the meaning of sections 101, 102 and 104(1) of Title 5, United States Code, and also a wholly owned Government corporation within the meaning of section 101 of the Government Corporation Control Act (31 U.S.C. 846).

b. Commercial standards-setting bodies are domestic and international standardization bodies, including nonprofit organizations, operating outside of the Federal Government or its agencies. They do not include the development and adoption of professional standards of conduct and standards of private companies; nor the United States' participation in international standardization activities pursuant to treaties.

c. Commercial standard means a prescribed set of rules, conditions, or requirements established by commercial standards-setting bodies, as defined in 5b, concerning definition of terms; classification of components; specification of materials, performance, or operations; delineation of procedures; or measurement of quantity and quality in describing materials, products, systems, services, or practices.

d. Standardization and standards-setting activities mean the process of developing the rules, conditions, and requirements defined in 5c above.

e. Cooperative testing means testing by interested parties to establish such things as precision, accuracy, and reliability of standards.

6. Policy. It is the policy of the Federal Government to rely on commercial standards, both domestic and international, whenever feasible. The policy embodied in the five elements below is consistent with and in furtherance of the Federal Government's general policy of using commercial products whenever feasible and relying on

(No. A- )

**DRAFT**

the private enterprise system to supply Government needs for products and services, as enunciated in OMB Circular No. A-76. Agencies will:

a. Participate in commercial standards-setting activities when such participation is in the public interest and is compatible with the agency's missions and authorities. Participation by agency personnel shall have the approval of appropriate officials and shall be consistent with the agency's regulations issued pursuant to paragraph 7a of this Circular, but of itself does not connote agency agreement with or endorsement of decisions reached. Such participation, where the agency's budget permits, may include:

(1) direct financial support, e.g., grants, sustaining memberships, and contracts;

(2) indirect or administrative support, e.g., travel cost, and document preparation; and

(3) technical support, e.g., cooperative testing for standards evaluation.

b. Encourage commercial standards-setting bodies with which they interact to observe rules and procedures that ensure prompt and full consideration of the views and interests of all who might be materially affected by their actions, and evaluate participation in these bodies in light of their adherence to such rules and procedures.

c. Use commercial standards in lieu of in-house standards when they will serve the agency's purpose and are consistent with applicable laws and regulations, and give such commercial standards preference in procurement actions unless use of such standards would result in higher cost to the Government.

d. Cite applicable commercial standards in Federal Register publications, regulatory orders, or related in-house documents.

e. Plan jointly with the commercial sector to ensure a coordinated effort in resolving priority standardization problems.

(No. A- )

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7. Responsibilities.

a. Each agency will, within six months of the date of this Circular, implement the policy principles in paragraph 6 to the extent compatible with its mission responsibilities. In taking this action, the agency should recognize the positive contribution of standardization and related activities, such as product and compliance testing and certification. It must, however, be recognized that these activities, if improperly conducted, could suppress free and fair competition; impede innovation and technical progress; exclude safer and less expensive products; or otherwise adversely affect trade, commerce, health, or safety. Full account shall be taken of applicable Federal laws, policies, and national objectives including, for example, laws and regulations relating to antitrust, national security, product safety, and conflict of interest.

b. The Department of Commerce shall be responsible for coordinating the implementation of said policy principles through an Interagency Committee on Standards Policy established to foster cooperative participation by the Federal Government and U.S. industry and other private organizations in standards activities, including the related activities of product testing, compliance, and certification programs. The Department of Commerce shall, through said interagency committee, periodically advise OMB concerning implementation of the policy principles set forth in this Circular.

8. Inquiries. For information concerning this Circular, contact the Office of Management and Budget, Office of Federal Procurement Policy, telephone number (202) 395-3336.

DIRECTOR

(No. A- )

**DRAFT**

INTERAGENCY COMMITTEE ON STANDARDS POLICY  
as of July 21, 1976

Members

Department of Agriculture  
Department of Commerce  
Consumer Product Safety Commission  
Department of Defense  
Energy Research and Development Administration  
Environmental Protection Agency  
Federal Communications Commission  
General Services Administration  
Department of Health, Education, and Welfare  
Department of Housing and Urban Development  
Department of the Interior  
Department of Justice  
Department of Labor  
National Aeronautics and Space Administration  
Nuclear Regulatory Commission  
Office of the Special Representative for Trade Negotiations  
U.S. Postal Service  
Small Business Administration  
Department of State  
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Office of Management and Budget

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